

CHAPTER 451 INCENTIVE AWARDS

1. **PURPOSE.** The purpose of an Incentive Awards Program is to motivate employees to increase productivity by recognizing creativity in the workplace, and by rewarding employees and groups of employees when contributions are made. In achieving these objectives, award programs should be designed to:

a. Encourage full participation of all Department of the Navy (DON) personnel at all levels in improving DON and government operations.

b. Pay cash awards, grant time off, or incur necessary expenses for the honorary and informal recognition of DON personnel, either individually or as a member of a group, on the basis of:

(1) A suggestion, invention, superior accomplishment, or other personal effort that contributes to the efficiency, economy, or other improvement of government operations or achieves a significant reduction in paperwork.

(2) A special act or service in the public interest in connection with or related to official employment.

(3) Exceptional performance as reflected in the employee's most recent rating of record.

2. **PROGRAM REQUIREMENTS.** All award programs developed and implemented shall provide for:

a. Reviewing award recommendations for which approval authority has not been delegated to officials at lower levels within the organization.

b. Communicating the relevant parts of award programs to managers, supervisors, and employees.

c. Evaluating and assessing awards and awards programs to ensure that they:

(1) Motivate, recognize, and reward eligible personnel.

(2) Exhibit a close, demonstrable link between performance, accomplishment, or contribution to the organization's goals and objectives and the receipt of the award.

(3) Are granted commensurate with the value of the employee's contribution or accomplishment.

- d. Documenting all cash and time-off awards.
- e. Following appropriate Department of Defense (DoD) financial management regulations on civilian pay policies for additional requirements on the processing of awards.
- f. Granting Quality Step Increases (QSIs) consistent with the provisions of this chapter.
- g. Documenting the justification for awards that are not based on a rating of record.

3. **ASSISTANCE.** For additional assistance relative to this chapter, contact the HRO Norfolk, Awards Assistance Division (see Chapter 001).

4. **APPROVAL AUTHORITY.** Approval of awards is subject to the approval authorities found in Appendixes A and B.

5. **ELIGIBILITY**

a. Civilian employees at all levels are eligible to be considered for incentive awards. However, performance awards are paid to Senior Executive Service employees only under 5 CFR 534.403 (www.access.gpo.gov/nara/cfr/waisidx/5cfr534_99.html) and not in accordance with this guide.

b. Awards for contributions made by an individual, when employed by the DON, may be paid to a former employee or to the estate or legal heirs of a deceased employee.

c. Employees paid with non-appropriated funds (NAF) are not eligible to receive monetary awards paid from appropriated funds but may receive non-monetary awards under this program. DON NAF employees are eligible for the following honorary awards:

(1) DON Distinguished Civilian Service Award.

(2) DON Superior Civilian Service Award.

(3) DON Meritorious Civilian Service Award.

d. A direct hire foreign national employee paid with appropriated funds is eligible to receive awards under this program. Restrictions on employees paid with non-appropriated funds are covered in paragraph 5.c. An indirect hire foreign national employee is not eligible to receive monetary awards under this program but may receive non-monetary awards. This does not preclude payment of monetary awards under any other locally developed awards program.

e. Private citizens and organizations may be recognized for significant contributions to the DON with non-monetary awards only, i.e., DON Public Service Awards. Persons or organizations having a

commercial or profit making relationship with DoD or DON shall not be granted recognition, unless the contribution is substantially beyond that specified or implied within the terms of the contract establishing the relationship, or the recognition is clearly in the public interest. Non-DON federal employees are also eligible for DON Public Service Awards.

f. Awards may be approved for employees of other government agencies or other DoD components. Payment of the award is made by transferring funds to the individual's employing component or agency. If the administrative costs of transferring funds exceed the amount of the award, the organization employing the individual shall absorb the costs and pay the award.

6. **RESPONSIBILITIES.** Flexibility in awards management is provided to permit the design of program structure which meets organizational needs.

a. *Activity heads are expected to:*

(1) Establish activity organizational goals and objectives.

(2) Ensure coverage of employees under an implementing instruction consistent with DON policies and procedures.

(3) Ensure that an activity awards program is in place and working effectively.

(4) Assign financial and award planning responsibilities, ensuring that adequate funds are available to assure prompt action on awards and that awards are paid within the budgetary limits set by law and regulation.

(5) Determine the review and/or approval levels and requirements for awards.

(6) Establish honorary and informal recognition awards.

(7) Establish awards criteria, such as productivity standards, performance goals, measurement systems, etc., for granting monetary or non-monetary awards for individual, team, or organizational achievements or contributions, and ensure that criteria for awards does not discriminate against individuals on the basis of race, color, religion, age, sex, national origin, or disability.

(8) Approve individual awards up to \$5,000, per Appendix A.

b. *Managers, Supervisors, and Team Leaders* (where applicable) should motivate, recognize, and reward eligible employees' accomplishments and contributions through the awards program.

c. *Human Resources Office (HRO) Norfolk* is responsible for:

(1) Advising managers, supervisors, team leaders, and covered employees on program requirements and related awards issues.

(2) Forwarding approved awards to the Human Resources Service Center (HRSC) for processing and input to the Defense Civilian Personnel Data System (DCPDS) for those activities not using Personnel Process Improvement (PPI).

(3) Maintaining award documentation in the Employee Performance File (EPF) for those activities not using PPI.

d. *The Human Resources Service Center* is responsible for:

(1) Processing awards and QSIs accurately and timely.

(2) Inputting employee awards data into the DCPDS.

(3) Maintaining award records and making them available to HROs and activities.

7. **FUNDING LEVELS.** The minimum funding level for all awards is 1.5 percent of aggregate base salaries of covered employees. The aggregate base salary should be calculated based on the number of covered employees as of 1 October of each year. Commands are responsible for deciding the award expenditures for their activities and targets may be set at different levels.

8. **MONETARY AWARDS**

a. *Special Act Award.* A Special Act Award is a monetary award which may be used to recognize a group or individual effort that goes beyond expected job performance. Special Act Awards are used to recognize exceptional accomplishments, such as an outstanding achievement, and may be given at any time. Approval authority is based on Appendixes A and B, and the appropriate award amount is based on the tangible and intangible benefits scales in Appendixes C and D.

b. *On-the-Spot Award.* An On-the-Spot Award is a "Special Act or Service" award designed to quickly recognize and provide immediate reinforcement of one-time achievements by employees that have resulted in service of an exceptionally high quality or quantity. This award is particularly appropriate for rewarding employee efforts that might go unrecognized. On-the-Spot awards range from \$25 to \$750, commensurate with the nature of the service or act being recognized.

c. *Performance Award.* A performance award may be granted to employees for sustained performance for individual, team, or organizational achievements of high quality, significantly above that expected at the "Acceptable" level. This type of recognition is appropriate when an employee performs substantially beyond expectations on a regular or continuing basis. Accomplishments may include, but

are not limited to:

- (1) Exceptional program or project management.
- (2) Individual or team work that results in a high quality product or service to a customer.
- (3) Other high quality performance significantly above what is expected at the "Acceptable" level and consistently sustained over a period of time.

Performance awards may be determined using a specific dollar amount or a percentage of basic pay. The rate of basic pay shall be determined without taking into account any locality-based comparability, special law enforcement adjustment, or interim geographic adjustment. Awards granted as a percentage of basic pay may normally not exceed 10 percent of the employee's annual rate of basic pay. If exceptional performance by the employee justifies more than 10 percent, up to 20 percent may be recommended. Awards of up to 10 percent are subject to the approval authorities of Appendixes A and B. Awards between 10 and 20 percent of an employee's annual rate of basic pay must be approved by the Secretary of the Navy (SECNAV).

d. *Quality Step Increase.* The purpose of a Quality Step Increase (QSI) is to provide appropriate incentives and recognition for excellence in performance by granting faster than normal step increases; therefore, careful consideration should be given before granting a QSI. An employee is eligible for only one QSI within any 52-week period. To be eligible, General Schedule employees must meet the following criteria required by 5 CFR 531.504(b)(2):

- (1) Received a rating of record of "Acceptable."
- (2) Demonstrated sustained performance of high quality significantly above that expected at the "Acceptable" level (i.e., exceeded the "Acceptable" criteria depicting unusually good or excellent quality or high quantity of work provided ahead of schedule and with less than normal supervision).
- (3) Made a significant contribution to the organization's mission.
- (4) Support an expectation that the high quality performance will continue in the future.

e. *Suggestion.* To be considered for an award, a suggestion must:

- (1) Identify an improvement in the quality of operations, a cost reduction opportunity, or an improvement in the timeliness of service delivery that results in tangible or intangible benefits to the U.S. Government.
- (2) Be adopted in whole or in part for implementation.
- (3) Identify a specific proposed course of action to achieve the improvement or cost reduction.

(4) Be based upon tangible or intangible benefits, as provided in Appendixes C and D, or a combination thereof.

Ideas or suggestions that identify the need for routine maintenance work, recommend enforcement of an existing rule, propose changes in housekeeping practices, call attention to errors or alleged violations of regulations, or result in intangible benefits of "good will" are not eligible for consideration.

It is recommended that the suggestion be submitted on DON Suggestion Form, OPNAV 5305/1 (5/80), which is available through normal DON supply channels. Any idea not submitted on OPNAV 5305/1 must be identified as a suggestion. The suggestion must concisely state the problem, difficulty, or circumstances that promoted the suggestion; identify the suggested change; where and how it can be used; what it will accomplish; and how it will benefit the government and/or DON in terms of tangible savings, if any.

HRO Norfolk will provide the activity an investigation package containing information on how to evaluate the suggestion, determine the extent that the suggestion falls within the scope of the employee's duties, and determine benefits, etc. The activity assigned investigator shall ensure that each file includes the reasons for non-adoption of an employee contribution or show how the contribution qualifies for an award. The investigator provides a detailed computation and explanation of benefits when an award is based on tangible benefits; a complete description of intangible benefits, if any, and specific information to show clearly the reason for the action, favorable or unfavorable, taken by reviewing authorities. The documentation must be sufficiently complete to withstand audit.

Suggestions are usually submitted for management approval prior to adoption. If an idea is adopted prior to formal, written submission by an employee, the formal suggestion must be submitted no later than 6 months from adoption. A suggestion may be changed from the form in which it was originally submitted. It is appropriate to grant an award for a suggestion which, though not adopted in the form originally submitted, was directly instrumental in motivating management's action in effecting an improvement.

When a suggestion is adopted by another organization, the benefiting organization shall share in the cost of the total award commensurate with the benefit. The suggester's organization will notify the benefiting organization(s) of the amount due and the benefiting organization(s) shall take prompt action to transfer the funds.

When it is determined that an investigation cannot be completed within the allotted timeframes below, HRO Norfolk will be notified as to the reason for delay in order that the suggester may be informed. The timeframes for completion of investigations are as follows:

- Within 30 days or less for cases of nominal value, i.e., cases which can be implemented within the same organizational segment in which they originated.
- Within 60 days for higher value cases, i.e., cases that must be sent to the next higher organizational segment for consideration or implementation.
- Within 90 days for cases that must be sent to headquarters level for consideration or implementation.

If the suggestion merits local adoption, the investigator will take action to place the suggestion into operation, noting the action taken on the Contribution Investigation Report, NAVSO 5305/5 (1-78). A suggestion is considered adopted and eligible for award consideration when it is actually put into effect or a written management commitment is made to place the idea into operation. If the suggestion does not warrant adoption, but provides impetus for a different solution, the investigator may recommend a token award as being appropriate.

If the suggestion does not merit adoption, the investigator will return the file with comments regarding the specific reason(s) for rejection to HRO Norfolk. The Awards Administrator will send a letter to the suggester(s) stating the reasons for non-adoption along with a copy of the Contribution Investigation Report. Suggester(s) may request reconsideration of a decision involving an interpretation or application of this instruction, the merits and values of an employee contribution, or the eligibility of any employee to receive an award. If supplemental information provided by the suggester and review of the suggestion file by the investigator indicates that it is warranted, the suggestion may be reevaluated. The request must be in writing, contain the justification or basis for the request, and be submitted to HRO Norfolk within 30 days after the date of notification to not adopt.

f. *Invention.* To be considered for an award, an invention must:

(1) Identify an improvement in the quality of operations, a cost reduction opportunity, or an improvement in the timeliness of service delivery that results in tangible or intangible benefits to the U.S. Government.

(2) Be adopted in whole or in part for implementation.

(3) Set forth a specific proposed course of action to achieve improvement or cost reduction.

If the conditions above are not met, but the invention is determined to be of value to the DoD or DON and the inventor consents to consideration of an award, the inventor will be required to sign a claim waiver agreement to be paid an award.

An initial monetary award may be paid and an additional monetary award issued when the patent covering the invention is granted.

If an application for a patent is placed under a secrecy order, the additional award will be paid when the U.S. Patent Office issues a Notice of Allowability of the application.

Awards under this section are not authorized if a monetary award has been paid for the same contribution as a suggestion. For further information concerning inventions contact the Awards Administrator at HRO Norfolk (see Chapter 001).

9. TIME-OFF AWARDS

a. *Criteria.* Time-off awards are an alternate and/or additional means of recognizing the superior accomplishments or achievements of employees with other than monetary or non-monetary awards. Decisions to grant time-off awards shall be based upon the same criteria or circumstances as for any other award. Examples of achievements which may be considered for a time-off award:

- (1) High-level performance.
- (2) Making a high quality contribution involving a difficult or important project or assignment.
- (3) Displaying special initiative and skill in completing an assignment or project before the deadline.
- (4) Using initiative and creativity in making improvements in a product, activity, program, or service.
- (5) Ensuring the mission of the unit is accomplished during a difficult period by successfully completing additional work or a project assignment while maintaining the employee's own workload.
- (6) Accomplishing a specific, one-time, or special assignment that required extra effort or resulted in the organization receiving recognition for responsiveness to unprogrammed requirements.

Supervisors and managers shall consider fully, wage costs and productivity loss when granting time-off awards, and shall ensure that the amount of time off granted as an award is commensurate with the individual's contribution or accomplishment. Appendix E contains a recommended award scale for determining time-off awards.

b. *Limitations on Time-off Awards*

(1) The total amount of time off that may be granted to any one individual in any one leave year is 80 hours. For part-time employees or those with an uncommon tour of duty, the total time that may

be granted during any calendar year is the average number of hours of work generally worked during a pay period.

(2) The maximum amount of time-off which may be granted to an individual for a single contribution is 40 hours. For part-time employees or those with an uncommon tour of duty, the maximum award for any single contribution is one-half the maximum amount of time that would be granted during the year.

(3) Time-off granted as an award must be scheduled and used within one year after the effective date of the award. Any unused amount remaining after that time will be forfeited without further compensation to the employee.

(4) A time-off award does not convert to cash under any circumstances.

(5) Time-off awards shall not be granted to create the effect of a holiday or treated as administrative excusals or leave.

(6) A time-off award for a period in excess of one workday must be reviewed and approved by an official at an organizational level higher than the individual making the initial award determination.

c. *Portability.* A time-off award shall not be transferred between DoD components. If an employee is transferring to another DoD activity or outside DoD, the employee should be allowed to use the award prior to the transfer. Managers and supervisors should make every effort to ensure that the employee is able to use the time-off award before he or she leaves the component. A time-off award can be transferred within DON; however, it must be scheduled and used within one year after the effective date of the award.

10. **HONORARY AWARDS.** Honorary awards provide a means to recognize an employee's overall value to an organization. They provide an opportunity to acknowledge valuable contributions made, and may reflect contributions made over a period of months or years. There are numerous honorary awards available from a letter of commendation to a medal, tie tack, coffee mug, belt buckle, plaque, etc. Activities are to use discretion on the value of this type of recognition, as these awards are to be modest in cost, usually less than \$50. Given their nature as symbolic formal recognition, items presented as honorary awards must meet all the following criteria: (a) be something that the recipient could reasonably be expected to value, but not something that conveys a sense of monetary value; (b) have a lasting trophy value; (c) must clearly symbolize the employer-employee relationship in some fashion; and (d) take an appropriate form to be used in the public sector and to be purchased with public funds.

a. *DON Honorary Awards*

(1) DON Distinguished Civilian Service Award (DCSA). The DON DCSA is the highest honorary award the SECNAV can confer on a DON civilian employee. The DCSA is to be granted

only to those employees who have given distinguished and/or extraordinary service to the DON. The achievements or service must be truly exceptional when measured against the position requirements of the individual, and should far exceed the contributions and service of others with comparable responsibilities. Further, the DCSA should be reserved for contributions, which are so unusual and/or significant that recognition at the SECNAV level is deserved. Additional indicators include using:

(a) A pattern of long-term, sustained high performance as evidenced by the nominee having previously received high honorary awards (e.g., DON Superior Civilian Service Award and/or DON Meritorious Civilian Service Award, or similar awards or honors).

(b) Career achievements that are recognized throughout the DON.

(c) Indications of innovative leadership of highly successful programs or projects which have impacted beyond the nominee's activity or command.

(d) Accomplishments/achievements which have had, as a minimum, DON-wide impact.

(e) Scientific or technical advances, or suggestions of significant value.

(f) Accomplishments which show unusual management abilities, innovative thinking, and/or outstanding leadership which benefit the DON.

(g) Responsibility for major cost savings/reductions/avoidance.

(h) Unusual acts of heroism.

(i) Exceptional cooperative efforts with other DON offices, federal agencies, or the private sector.

(2) DON Superior Civilian Service Award (SCSA). This is the second highest honorary award in the DON. It is intended that the same Distinguished level award criteria will be used for awarding the SCSA. However, for the SCSA, the contribution, while exceptional in value, would be narrower in scope or impact (e.g., Accomplishment that is significant and has far-reaching major command-wide impact).

(3) DON Meritorious Civilian Service Award (MCSA). This is the third highest honorary award in the DON. As in the SCSA, the same Distinguished level award criteria will be used for awarding the MCSA. For the MCSA, the contributions, while high in value, are more limited in scope/impact (e.g., Accomplishment should be significant and have far reaching impact, but less than the SCSA). This award should not be used as a retirement award. However, if a significant accomplishment occurs close to retirement, it may be acceptable to present it at retirement.

b. *Informal Recognition Awards.* Informal recognition awards are intended to recognize contributions of lesser scope that might otherwise go unrecognized. In addition, informal recognition awards typically have more informal approval procedures and presentation settings than honorary awards. Given this combination of less-scope contributions and informality, non-monetary items presented as informal recognition awards must meet the following criteria:

(a) be of nominal value; and (b) take an appropriate form to be used in the public sector and to be purchased with public funds.

11. CAREER SERVICE RECOGNITION

a. *Length of Service (LOS) Certificates*

These awards recognize significant milestones in employees' careers and emphasize that service to the government, rather than service to a particular department or agency is being recognized. When eligibility for LOS recognition is computed, employees receive credit for total federal service, including civilian and all honorable military service.

LOS recognition awards are granted to HRO Norfolk serviced activity employees to recognize 10, 20, 30, 40 and 50 years of federal service. Lapel emblems and activity certificates are presented for 10, 20, and 30 years of service. Lapel emblems for 40 and 50 years of service will be accompanied by a certificate signed by the SECNAV. Such awards will be initiated by HRO Norfolk and forwarded to the activity head for presentation.

b. *Retirement Certificates*

HRO Norfolk does not provide Retirement Certificates, however, for those activities who are interested, they may be ordered in packages of 25 from the Defense Printing Service in Philadelphia, Pennsylvania. For retirement, the SECNAV Certificate of Retirement, NAVSO 12450/II (9-83), is available.

The signature of the SECNAV may be obtained on retirement awards for 40 or more years of service. To obtain the Secretary's signature the following guidelines should be followed:

(1) A memo requesting the Secretary's signature should accompany the appropriate certificate with the honoree's name and number of years of service already printed on it. A return envelope should also be provided. The certificate should not be dated, as it will be dated when signed. Certificates should be carefully packaged to avoid damage in transit.

(2) Requests should be submitted as far ahead of the needed date as possible. The requesting memo, certificate, and the return envelope should be addressed to: SECRETARY OF THE NAVY, ADMINISTRATIVE DIVISION, THE PENTAGON, ROOM 4D680, WASHINGTON, DC 20350.

12. AWARDS FOR PRIVATE CITIZENS AND ORGANIZATIONS. DON Public Service Awards are available for private citizens and/or organizations for outstanding contributions to the mission and best interests of the DON. They are designed to provide formal recognition for individuals or groups who are not employed by the DON, or who were not so employed during the period for which a public service award is recommended. They may also be used for senior DON officials in non-career or appointive positions. To qualify for a DON Public Service Award, the contribution(s) must have occurred within the five-year period preceding the date of nomination. Persons or organizations having a commercial or profit-making relationship with DoD or with a DoD component are ineligible for recognition, unless it is shown that the contribution is substantially beyond that specified or implied within the terms of the contract establishing the relationship, and/or unless the recognition is clearly in the public interest.

a. *DON Distinguished Public Service Award (DPSA)*. This award is the highest form of public service recognition which may be approved by the SECNAV. DPSA nominations are limited to those extraordinary cases where individuals have demonstrated exceptionally outstanding service of substantial and long-term benefit to the Navy and Marine Corps as a whole. The award may also be approved for specific courageous or heroic acts bearing directly on the accomplishment of the DON mission. Since this award may only be approved and signed by the Secretary, all nominations for the DPSA must be forwarded to the Secretary via the DON Award Review Panel (DARP) which is managed by the Office of the Assistant Secretary of the Navy (Manpower and Reserve Affairs).

b. *DON Superior Public Service Award (SPSA)*. This is the second highest civilian honorary award and recognizes significant contributions that have broad impact. Such contributions, while not necessarily affecting the entire DON, must have substantially benefited a major organizational element or large geographical area. The SPSA may be signed by the Secretary or by any Echelon 2 or above Commander. For signature by the Secretary, nominations must be sent to the DARP as in the case of the Distinguished level award. If it is to be signed at a lower level, DARP approval and recommendation is not required.

c. *DON Meritorious Public Service Award (MPSA)*. This is the third highest public service recognition and is awarded for significant contributions with substantial impact upon a specific activity or geographical location. The Secretary rarely signs a MPSA; it may be approved and signed by Echelon 2 or above Commanders.

d. *DON Award of Merit for Group Achievement (AMGA)*. Granted by the SECNAV, the AMGA is presented to corporations, associations, or other groups for outstanding services to the DON in connection with a single project, program, or other effort which was significantly beneficial to the accomplishment of the overall mission of the DON. It will be granted for company, group, or association achievement only and not for the outstanding contributions of a single member. The award consists of one certificate signed by the Secretary. Nominations for these awards must be forwarded to the Secretary via the DARP.

e. *DoD and Presidential Awards.* The following DoD and Presidential honorary awards must be submitted to the SECNAV for approval and endorsement via the DARP:

- (1) DoD Distinguished Civilian Service Award
- (2) Secretary of Defense Meritorious Civilian Service Award
- (3) DoD Distinguished Public Service Award
- (4) Secretary of Defense Award for Outstanding Public Service
- (5) President's Award for Distinguished Federal Civilian Service
- (6) Presidential Medal of Freedom
- (7) Presidential Citizens Medal
- (8) National Security Medal

Descriptions and criteria for these awards are available in the DoD Civilian Personnel Manual, DOD 1400 25-M, available at www.cpms.osd.mil.

13. **PROCESSING AWARD ACTIONS.** The following directions are *only* for those activities submitting hardcopy requests to HRO Norfolk for transmission to the HRSC. Activities connected to the Personnel Process Improvement (PPI) System should follow direction given by the HRSC.

a. *Monetary Awards.* Award recommendations should be initiated by completing a Recommendation for Incentive Award, HRO NORVA 12451/4 (2/99) (See Appendix F). Internal activity routing should include the Comptroller so that appropriate accounting citations are included. The recommendation form must cite the award amount (see paragraph 8 above for specific information), the financial accounting data and the appropriate signatures. The recommendation form is forwarded to HRO Norfolk for processing. A Request for Personnel Action (SF-52) is not needed.

(1) Special Act Award. The recommendation requires a short narrative description of the act being recognized, and should be submitted promptly after the accomplishment of the special act or service.

(2) On-the-Spot Award. A one or two line justification of the achievement is required, and should be submitted promptly after the date of the special act or service. It is not necessary to complete the Tangible/Intangible Estimate of Benefits portion of the form.

(3) Performance Award. These awards are normally granted in conjunction with the end of the performance appraisal cycle. Performance Awards may be forwarded to HRO Norfolk in memo format, listing employee's name, social security number, and the amount to be awarded.

(4) Quality Step Increase (QSI). A short narrative of the performance being recognized is required. Once received in HRO Norfolk, the date of the last QSI, if applicable, and the current step will be verified. HRO Norfolk will contact the activity to discuss alternatives whenever the individual being recommended: (a) has received a QSI within the last 52 weeks; (b) is due a within grade increase in the near future and giving the award would change their waiting period; or (c) is already in the 10th step.

(5) Suggestion Award. Use Appendixes C and D of this chapter to complete the Tangible/Intangible Estimate of Benefits portion of the form and to determine the corresponding award amount. The amount of a cash award to be granted for an employee contribution is determined by applying the tangible and intangible award scales to the savings expected to accrue during the first full year the suggestion is in operation. "First full year" is 12 consecutive months the improvement is in actual operation exclusive of trial periods, experimentation or other periods of deferred implementation. In determining net savings, only savings involving labor, materials or costs of service are included. Predetermined or prorated overhead or burden costs are not included in the computation of tangible savings; labor savings will be computed by using the hourly rate of pay of the employee performing the function. The cost to implement an employee contribution must be deducted from the estimated annual net savings; however, where the contribution has a high installation cost and will yield measurable benefits over a number of years, the cost of installation may be amortized over a period of years which may not exceed the reasonable life of the initial installation, or its predictable period of use, whichever is shortest.

The suggestion must be adopted within two years after the initial receipt by HRO Norfolk's Awards Administrator, unless the adoption is delayed beyond the two-year period because of actions such as trial tests, experimentation, or investigation outside of the originating activity needed to determine the value of the suggestion.

A time-off award is appropriate when a suggestion has been adopted, but because the suggestion is considered to be within the employee's normal job responsibilities, the employee is not eligible for a cash award.

The Recommendation for Incentive Award (Appendix F) must accompany the completed Contribution Investigation Report, NAVSO 5305/5 (1-78), when sent to HRO Norfolk for processing. HRO Norfolk will send the suggester a congratulatory letter on the adoption and process the recommended award.

b. *Time-Off Award*. Complete and submit a Recommendation for Incentive Award, (Appendix F), to include written justification describing the reason for granting the award. The recommending official must also annotate the number of hours to be awarded and expiration (if expiration is desired before the customary one-year deadline).

c. *Honorary Awards*.

(1) DON Distinguished Civilian Service Award. This is the highest honorary award and must be approved by SECNAV after review by the DARP (see Appendix A). Upon approval a certificate and medal will be provided by SECNAV.

(2) DON Superior Civilian Service Award. This award is approved at the headquarters command level. Upon approval a certificate and medal will be provided by the approving official.

DON Distinguished Civilian Service Awards and DON Superior Civilian Service Awards should be submitted in the following format:

RESUME:

- Employee's name, job title and grade.
- Description of employee's current responsibilities.
- Summary of federal and non-federal employment.
- Education.
- Published papers/articles/books, inventions, participation in professional/civic organizations.
- Awards received, including benefits to the government and impact on the organization.

NARRATIVE JUSTIFICATION FOR THE AWARD:

- Area(s) of achievement upon which the nomination is based.
- Scope and importance of mission, function, service, or task affected.
- Extent of ingenuity, innovation, or dedication demonstrating initiatives which exceeded job responsibilities.
- Results achieved, including benefits to the government and impact on the organization.

(3) DON Meritorious Civilian Service Award. This award is granted by heads of activities. A copy of the proposed citation and narrative justification for the award should be submitted to HRO Norfolk at least 3 working days prior to the presentation date. HRO Norfolk will provide a certificate, medal, and lapel bar for presentation to the employee.

d. *Local Honorary Awards*. Local honorary awards such as letters of commendation or appreciation, certificates, or emblems may be given at the activity's discretion.

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**CHAPTER 451
APPENDIX A**

**DELEGATION OF AUTHORITY TO APPROVE DON
HONORARY AND MONETARY AWARDS**

HIGHEST LEVEL AWARDS

Honorary Awards:

DON Distinguished Civilian Service Award

DON Superior Civilian Service Award

DON Meritorious Civilian Service Award

DON Distinguished Public Service Award

DON Superior Public Service Award

DON Meritorious Public Service Award

Monetary Awards:

Special Act Awards, Suggestion Awards, etc., totaling \$7,501 to \$10,000

All monetary awards exceeding \$10,000 must also go to SECNAV for approval/endorsement before being sent on to the DoD and/or the U.S. Office of Personnel Management (OPM)

Approval Authorities:

SECNAV or Acting SECNAV *only*

All of the awards at this level must be forwarded to the SECNAV via the DON Awards Review Panel (DARP), Office of the Deputy Assistant Secretary of the Navy (Civilian Personnel/Equal Employment Opportunity), Executive Personnel and Leadership Development Division (DP6).

Address: DIRECTOR
ATTN CODE DP6
DON AWARDS REVIEW PANEL
800 N QUINCY ST
ARLINGTON VA 22203-1998

MIDDLE LEVEL AWARDS

Honorary Awards:

DON Superior Civilian Service Award

DON Meritorious Civilian Service Award

DON Superior Public Service Award (only if not requesting approval/signature of SECNAV)

DON Meritorious Public Service Award (only if not requesting approval/signature of SECNAV)

Monetary Awards:

Special Act Awards, Suggestion Awards, etc., totaling \$5,001 to \$7,500 per individual

Approval Authorities:

- All Echelon 1 and 2 Commands
- Commandant of the Marine Corps
- Chief of Naval Operations
- Chief of Naval Research
- Commander in Chief, U.S. Atlantic Fleet
- Commander in Chief, U.S. Pacific Fleet
- Commander in Chief, U.S. Naval Forces, Europe
- Immediate Office of the Secretary of the Navy
- Director, Human Resources Operations Center
- Unified Commands (CINCPAC and CINCLANT only)
- Commander, Naval Reserve Force
- Chief, Naval Education and Training
- Commander, Naval Air Systems Command
- Commander, Naval Facilities Engineering Command
- Commander, Naval Sea Systems Command
- Chief, Bureau of Medicine and Surgery
- Commander, Space and Naval Warfare Systems Command
- Heads of Independent Offices
- Chief of Naval Personnel
- Commander, Military Sealift Command
- Commander, Naval Computer and Telecommunications Command
- Director, Naval Criminal Investigative Service
- Commander, Naval Security Group
- Director, Office of Naval Intelligence
- Commander, Naval Meteorology and Oceanographic Command
- Director, Strategic Systems Programs
- Commander, Naval Recruiting Command

LOWER LEVEL AWARDS

Honorary Awards:

DON Meritorious Civilian Service Award

Monetary Awards:

Special Act Awards, Suggestion Awards, etc.; to a maximum of \$5,000 per individual

Approval Authorities:

- Commanders
- Activity Heads

CHAPTER 451 APPENDIX B

AWARDS TO BE REVIEWED BY THE DARP

The following awards, covered in this chapter, **require** DON Awards Review Panel (DARP) review and recommendations before they are forwarded to the respective sponsors.

Awards requiring the endorsement and/or signature of the SECNAV:

DON Distinguished Civilian Service Award
DON Distinguished Public Service Award
DON Superior Public Service Award

*(NOTE: If to be signed at lower level (see Appendix A), does **not** require DARP review.)*

Special Act, Suggestion, Invention, etc., awards of \$7,501 to \$10,000 per individual

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**CHAPTER 451
APPENDIX C**

**SCALE OF AWARD AMOUNTS BASED ON
INTANGIBLE BENEFITS**

VALUE OF BENEFIT	EXTENT OF APPLICATION			
	<i>LIMITED</i>	<i>EXTENDED</i>	<i>BROAD</i>	<i>GENERAL</i>
	Affects functions, mission, or personnel of one facility, installation, regional area, or an organizational element of headquarters. Affects small area of science or technology.	Affects functions, mission, or personnel of an entire regional area, command, or bureau. Affects an important area of science or technology.	Affects functions, mission, or personnel of several regional areas or commands, or an entire department or agency. Affects an extensive area of science or technology.	Affects functions, mission, or personnel of more than one department or agency, or is in the public interest throughout the Nation and beyond.
<i>MODERATE</i> Change or modification of an operating principle or procedure with limited use or impact.	\$25 - \$500	\$501 - \$750	\$751 - \$1,000	\$1,001 - \$1500
<i>SUBSTANTIAL</i> Substantial change or modification of procedures. Important improvements to the value of a product, activity, program, or service to the public.	\$501 - \$750	\$751 - \$1,000	\$1,001 - 1,500	\$1,501 - \$3,150
<i>HIGH</i> Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product or service.	\$751 - \$1,000	\$1,001 - \$1,500	\$1,501 - \$3,150	\$3,151 - \$6,300
<i>EXCEPTIONAL</i> Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public.	\$1,001 - \$1,500	\$1,501 - \$3,150	\$3,151 - \$6,300	\$6,301 - \$10,000

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CHAPTER 451
APPENDIX D

SCALE OF AWARD AMOUNTS BASED ON
TANGIBLE BENEFITS

BENEFITS Estimated First-Year Benefits	AWARD Amount of Award to Employee
Up to \$10,000 in benefits	10% of benefits
Between \$10,000 and \$100,000 in benefits	\$1,000 plus 3% to 10% of benefits over \$10,000
More than \$100,000 in benefits	\$3,700 to \$10,000 for the first \$100,000 in benefits, plus 0.5% to 1.0% of benefits above \$100,000 up to \$25,000, with the approval of the Office of Personnel Management via the Office of the Secretary of Defense. Presidential approval is required for all awards of more than \$25,000.

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**CHAPTER 451
APPENDIX E**

TIME-OFF AWARDS SCALE

Value to Organization	Number of Hours
<p data-bbox="191 520 349 556"><i>Moderate:</i></p> <p data-bbox="191 604 987 678">(1) A contribution to a product, activity, program, or service to the public, which is of sufficient value to merit formal recognition.</p> <p data-bbox="191 724 1084 760">(2) Beneficial change or modification of operating principles or procedures.</p>	<p data-bbox="1230 520 1333 556" style="text-align: center;">1 to 10</p>
<p data-bbox="191 835 381 871"><i>Substantial:</i></p> <p data-bbox="191 919 1068 993">(1) An important contribution to the value of a product, activity, program, or service to the public.</p> <p data-bbox="191 1039 1092 1075">(2) Significant change or modification of operating principles or procedures.</p>	<p data-bbox="1230 835 1333 871" style="text-align: center;">11 to 20</p>
<p data-bbox="191 1150 276 1186"><i>High:</i></p> <p data-bbox="191 1234 1011 1308">(1) A highly significant contribution to the value of a product, activity, program, or service to the public.</p> <p data-bbox="191 1354 971 1428">(2) Complete revision of operating principles or procedures, with considerable impact.</p>	<p data-bbox="1230 1150 1333 1186" style="text-align: center;">21 to 30</p>
<p data-bbox="191 1497 381 1533"><i>Exceptional:</i></p> <p data-bbox="191 1581 1019 1654">(1) A superior contribution to the quality of a critical product, activity, program, or service to the public.</p> <p data-bbox="191 1701 990 1774">(2) Initiation of a new principle or major procedure, with significant impact.</p>	<p data-bbox="1230 1497 1333 1533" style="text-align: center;">31 to 40</p>

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RECOMMENDATION FOR INCENTIVE AWARD

Information pertaining to awards may be found in the HRO manual Chapter 451.

Special Act: Amount \$ _____ **On-the-Spot:** Amount \$ _____

Quality Step Increase **Time-Off:** Hours _____ to be used by _____
(1 year maximum)

EMPLOYEE: _____ **SSN:** _____
If the Award is for more than one individual, attach a list of names, with SSN and award amount for each.

ACTIVITY: _____ **UIC:** _____

UIC of Recommending Official: _____
(If UIC is different from recommended employee(s) please provide accounting appropriation on next line.)

Accounting appropriation: _____

TANGIBLE/INTANGIBLE ESTIMATE OF BENEFITS

A. TANGIBLE BENEFITS. Approximate tangible value of benefit or savings: \$ _____

B. INTANGIBLE BENEFITS

(1) Value _____Moderate _____Substantial _____High _____Exceptional

(2) Extent of Application _____Limited _____Extended _____Broad _____General

JUSTIFICATION FOR AWARD:

Recommending Official's Signature

Typed Name

Title

Date

HRO NORVA 12451/4 (2/99)

Approving Official's Signature

Typed Name

Title

Date